

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, NOVEMBER 27, 2007**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, November 27, 2007, commencing at 7:00 a.m.

A. ROLL CALL

Present: Council Members – Hitchcock, Katzakian, and Mayor Johnson

Absent: Council Members – Hansen and Mounce

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. TOPIC(S)

- B-1 "Review and Comment on the Annual Community Development Block Grant and HOME Program Allocation Process"

City Manager King provided a brief introduction to the subject matter.

Community Improvement Manager Joseph Wood provided a presentation regarding the annual Community Development Block Grant (CDBG) and HOME Program allocation process. Specific topics of discussion included a funding breakdown from 1999 to 2007, predetermination of allocation toward City projects, and a sample two-tiered system for the allocation process.

In response to Mayor Johnson, Mr. Wood stated there does not appear to be other local cities with a similar set-aside program, but the County does have a set-aside practice.

In response to Mayor Johnson, Mr. King stated the CDBG program originated from the Department of Housing and Urban Development (HUD) and was designed to benefit low-income individuals. He stated currently the City tries to avoid providing funding to ongoing capital projects and concentrates on basic brick and mortar needs. Mr. King stated the suggestion is to segregate two pots of money: one for community-based organizations and the other for City-based capital improvement projects. He stated the more consistent allocation will assist with capital improvement based projects because the funding will be available in the future and allow for better planning.

In response to Council Member Hitchcock, Mr. King stated the funding would be available to not only Americans with Disabilities Act type of projects, but also to other CDBG eligible projects to address the responsibility associated with maintaining the City's assets.

In response to Mayor Johnson, Mr. Wood confirmed that the Library and Lodi Lake projects take up a majority of the funding for the City's current project list. He stated all projects have to meet the same criteria, which includes approximately 12 to 15 activities and a national objective, such as serving low-moderate income and eliminating blight. Mr. King provided an example of Lodi Lake being used for affordable recreation for low and moderate income and the necessity of showing that relationship to receive the benefit.

In response to Mayor Johnson, Mr. Wood stated that the survey is already done and it will be up to HUD to accept the results.

In response to Mayor Johnson, Mr. Wood stated park-related projects must also qualify as serving the needs of the required population. He stated throughout the years several park improvements were made with CDBG allocations.

A brief discussion ensued between Council Member Hitchcock and City Manager King regarding the ability to look at both City and community organization based projects so that they compete with one another to ensure that the most important projects receive the funding and the flexibility associated with the same.

In response to Mayor Johnson, Mr. King stated that there is a much greater backlog of capital improvement types of projects, but only a portion of those needs are listed due to the assumption that application can only be made for a limited amount.

City Manager King stated that, aside from the fact that he anticipates receipt of large requests from community based organizations in the future, he believes the City should make a predetermination based on a percentage of what will be spent on both types of projects as a matter of doing business.

In response to Mayor Johnson, Mr. King stated the matter will be brought back to Council for consideration prior to the call out for availability of allocations. Mr. Wood stated the timeline includes the annual application process from December to January, the application reviews from January to February, and the public hearing in March.

Mayor Johnson requested that information be provided regarding how other communities are handling similar requests. He also requested that the listing of City projects be inclusive to show the entire backlog.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 7:34 a.m.

ATTEST:

Randi Johl
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Review and Comment on the Annual Community Development Block Grant and HOME Program Allocation Process

MEETING DATE: November 27, 2007

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Review and comment on the annual Community Development Block Grant (CDBG) and HOME Program allocation process.

BACKGROUND INFORMATION: San Joaquin County has been an entitlement community with the U.S. Department of Housing and Urban Development since 1985. The County is classified as an Urban County jurisdiction, which includes all unincorporated County communities and the cities of Lodi, Escalon, Lathrop, Manteca, Ripon and Tracy.

Each year, the Urban County jurisdictions receive a formula-based allocation of CDBG, Emergency Shelter Grants (ESG), and HOME Program funding. The participating jurisdictions, in turn, go through an annual process which begins with a public meeting to gather input regarding the use of these federal funds. That meeting, held in early December, usually marks the beginning of the application period that runs through mid-January. During that period, both public and private agencies and organizations, submit funding requests for the coming years' funding.

As a practice, the City of Lodi has always made one-hundred percent of our annual allocation available for funding requests, and our City projects, from both Public Works, Parks & Recreation or any other City department, have competed head to head with funding requests for both capital projects and public services submitted by private agencies and organizations.

A breakdown of those funding allocations since **1999**, illustrated in the attached Exhibit A, shows an average of 63.8% of our annual allocation going toward City projects.

It is fairly common for CDBG entitlement communities and participating jurisdictions within an Urban County designation to set-aside a certain percentage of their annual CDBG allocation for City projects or programs. This set-aside provides a fairly reliable funding source for which to plan or schedule projects or services into the future. The set-aside also segregates or groups the funding requests so that City departments compete amongst themselves and community-based organizations (CBO) compete only against other CBO funding requests.

APPROVED:

A handwritten signature in blue ink, appearing to read "Blair King", written over a horizontal line.

Blair King, City Manager

The City Manager is proposing that the Council consider splitting the CDBG allocation into two funding set asides, one for CDBG-eligible city projects and the other for eligible CBO projects.

In order to provide an estimation of the magnitude of financial need, City Departments provided a list of projects and services that could be funded via CDBG funds. The amount is in the neighborhood of \$1,525,640. The estimated 2008/09 CDBG allocation is \$717,592. The preliminary list of City projects and services is attached as Exhibit B.

In addition to providing an identifiable source of funding for City projects, a two set-aside system would allow staff to develop a better rating and ranking system in order to make recommendations with regard to CBO projects and services.

It is proposed that the Council consider the concept of pre-determining the appropriate share of CDBG funds for City projects and how much of the total CDBG and/or HOME Program funding allocation should be made available.

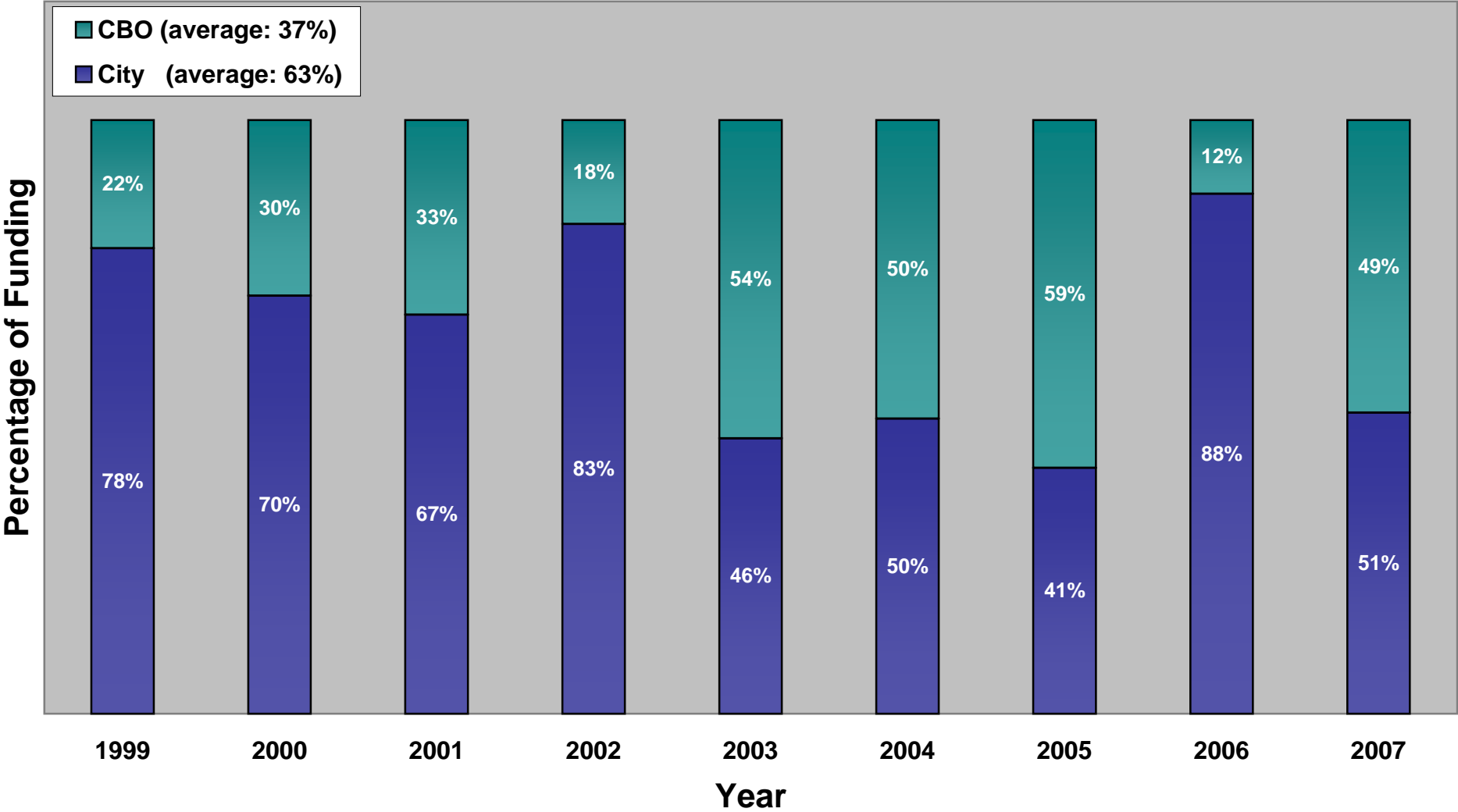
FISCAL IMPACT: N/A

FUNDING AVAILABLE: N/A


Randy Hatch
Community Development Director

Attachments

CDBG Funding Breakdown, 1999-2007

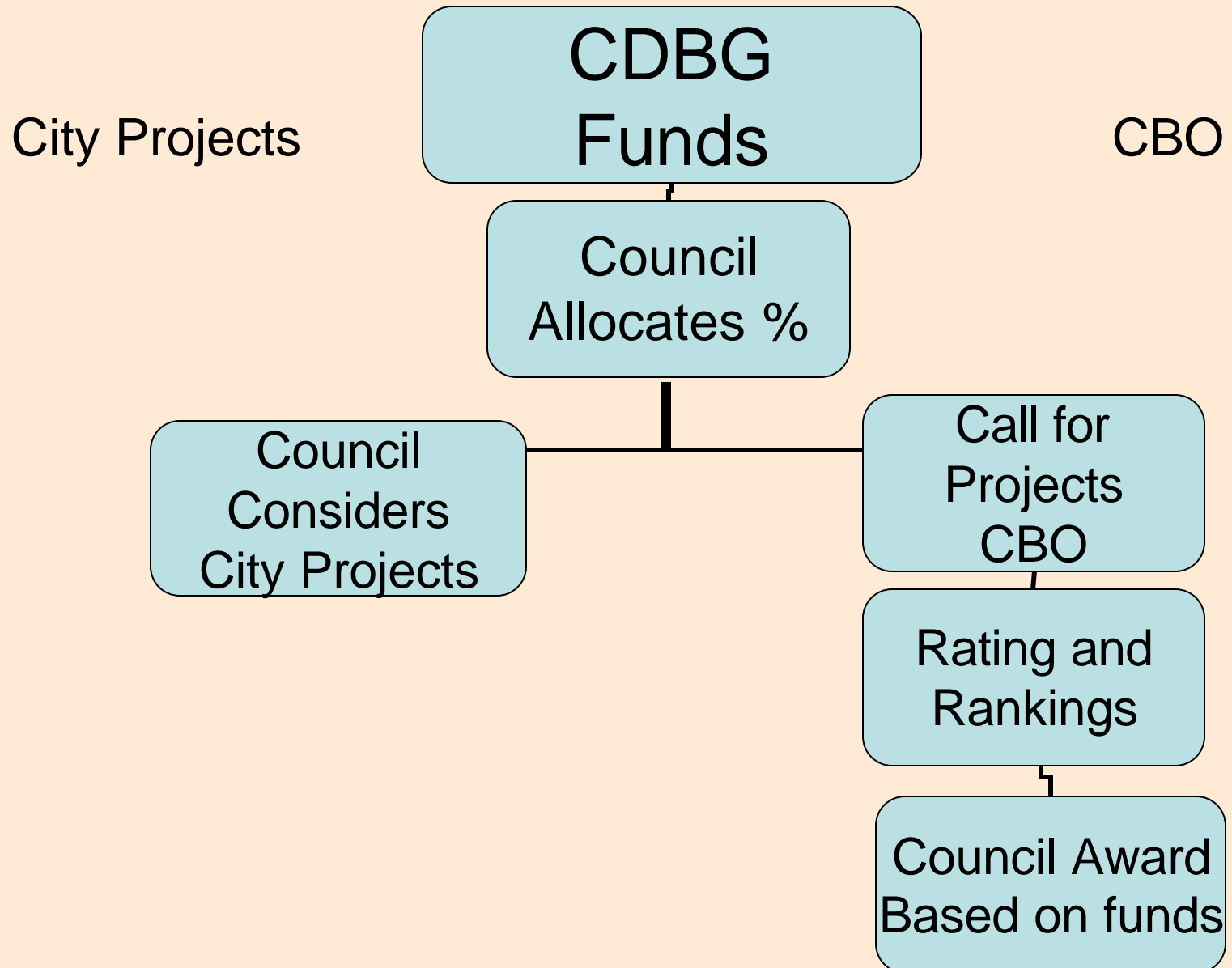


City of Lodi CDBG Internal Preapplications Received

Project - Organization	Project Description	Fund Request	Comments/Concerns
ADA Curb Ramps Public Works	Install ADA-accessible curb ramps in CDBG target areas to improve accessibility for the disabled and the elderly.	\$250,000	Project is a continuation of the City's implementation of its ADA Transition Plan. Eligible as an area benefit activity. May be too ambitious for completion by June 2009; \$150,000 may be more realistic.
Blakely Park North Pool Deck Improvements Parks and Recreation	Install a new polymer concrete finish over existing pool decking. Work will match the Blakely Park South pool deck improvements completed in June 2007.	\$98,000	Eligible as an area benefit activity because Blakely Park serves primarily target-area residents. Funding would be expended during the 2008-09 year.
Lodi Lake Park North Playground Improvements Parks and Recreation	Redesign park to address accessibility and site-specific issues and install new ADA-accessible play equipment.	\$280,000	Lodi Lake Park is not located in a target area, so the City would have to have HUD approve the methodology used to show that most park users are low-income. This may require a lengthy review process and the need to conduct a new user survey, which could hold up the project.
Alley Drainage Improvements Public Works	Improve alley drainage by installing storm drain facilities and resurfacing a "typical" 600-foot alley located in a target area.	\$225,000	Eligible as an area benefit activity. Funding likely would not be entirely expended during the 2008-09 year.
Building Demolition Public Works	Demolish an abandoned packing shed building located at 17 East Elm Street.	\$95,000	Eligible as spot blight removal. City acquired the property in 2002 using CDBG funds. Long-term lot use is undetermined.
Lodi Public Library Renovation Lodi Public Library	Renovate the library facility to address accessibility issues, eliminate possible safety hazards, and make the space more functional and user-friendly.	\$550,000	Library does have other funding sources available, but project completion timeline is too ambitious. May not be an eligible activity, since it serves entire City (possibly region), which is not majority low-income. Would require the City to conduct a survey of library users to prove the majority are low-income.
Graffiti Abatement Public Works	Abate graffiti on public and private properties in the CDBG target areas.	\$27,638	Eligible as a public service for public properties and rehabilitation for private properties.
TOTAL FUNDING REQUESTED		\$1,525,638	

Should a predetermined percentage of CDBG funds be allocated to City CDBG eligible projects?

CDBG Allocation Process



Pluses

- Reinforces CDBG funding as a revenue source for needed capital improvements
- Improves long term capital improvement program (CIP) planning
- Catalyst to develop criteria to rate and rank non-city projects
- Allows for comparison of like projects – “apples to apples and oranges to oranges”
- A more disciplined approach to allocation of public resources

Minuses

- Less flexibility – reduced ability to make last minute allocations